



ERGO

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**Do the business risks of your
company need protection?
We have a solution for that!**

**Terms and Conditions of
ERGO Corporate Insurance
KT.0942.19**

TERMS AND CONDITIONS OF ERGO CORPORATE INSURANCE

KT.0942.19

This is an unofficial translation from Estonian to English. In case of contradictions the Estonian wording will prevail

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ERGO Insurance SE (hereinafter ERGO) applies these terms and conditions of corporate insurance when insuring companies against various insured events on the basis of one insurance contract (property and equipment used in business, business interruption and liability).

The terms and conditions of insurance describe the following insurance classes: property insurance, equipment breakdown insurance, business interruption insurance and liability insurance (general third party liability insurance, liability insurance of the possessor of construction work and employer's liability insurance).

ERGO offers insurance following the policyholder's and insured person's insurable interest and needs for insurance. The final choice is made by the policyholder. The agreed insurance covers are set out in the insurance policy (hereinafter the policy).

Matters not resolved in these terms and conditions of insurance are settled following the special terms and conditions of the policy, the general terms and conditions of insurance contracts, the Law of Obligations Act and other legislation.

PROPERTY INSURANCE

1. Insured object

- 1.1. The insured object is:
 - 1.1.1. building, civil engineering work or interior finishing;
 - 1.1.2. inventory and equipment;
 - 1.1.3. goods;
 - 1.1.4. other object specified in the policy.
- 1.2. Unless otherwise specified in the policy, the insured object does not include:
 - 1.2.1. a motor vehicle, aircraft and watercraft subject to registration;
 - 1.2.2. information, software, licence, etc.;
 - 1.2.3. cash, security and other document or a set of documents (e.g. archives), plan, drawing;
 - 1.2.4. well, fountain, water body, civil engineering work in an internal or open water body (regardless of whether the civil engineering work has been connected to the shore or not);
 - 1.2.5. road, square, car park, ground;
 - 1.2.6. weapon, ammunition, explosive;
 - 1.2.7. plant, animal, other living organism;
 - 1.2.8. sample or prototype, exhibit of an exhibition, model;
 - 1.2.9. sculpture, antique or object of artistic value, object of precious metal and of other precious material;
 - 1.2.10. customers' property;
 - 1.2.11. property of the employees of the company.

Building

- 1.3. Building is construction work that is permanently attached to the subsoil, is built as a result of human action and has interior space that is separated from the external environment by the roof and other parts of the building envelope as well as essential parts thereof, including:
 - built-in (non-removable and cannot be separated without causing significant damage to the building or to the separable part) objects, including furniture, bathtub, shower cubicle, sanitary equipment and suspended ceilings;
 - low-voltage wiring for communications, TV and audio equipment;
 - fire extinguishing, security alarm and fire detection and fire alarm system;
 - surveillance cameras, antennas, awnings, lighting fittings and advertising facilities, except for electronic display boards, such as LED screens, permanently installed on the exterior sides of the building;
 - other parts that are permanently attached to the building (including the parts of the ventilation, local extraction, heating, steam generation, water supply, sewerage, freezing and cooling system meant for use in the production process) and that cannot be separated without causing significant damage to the building or to the separable part.
- 1.4. Unless otherwise agreed in the policy, objects installed on the exterior sides of the building, other than those specified in clause 1.3, are not deemed to constitute a building.
- 1.5. The parts of the ventilation, local extraction, heating, steam generation, water supply, sewerage, freezing and cooling system meant for use in the production process (e.g. boiler or pump house equipment, freezing and/or cooling equipment of a cold-storage plant) that can be separated from the building without damaging the building are to be insured as inventory and equipment.
- 1.6. The parts of the utility systems of a building that are located outside of the building are insured up to the boundary of the registered immovable, but no farther than up to the general connection (supply point). Likewise, a utility network structure (e.g. heating, gas, water, sewerage pipeline, underground electricity and communications cable and overhead electricity and communications transmission line) that belongs to the insured person, services the building and is located within the boundaries of the registered immovable is also insured with the building, but no farther than up to the general connection (supply point).
- 1.7. Construction work of up to 20 m² (e.g. a shelter) and other civil engineering work that is permanently attached to the subsoil, such as an advertising facility, exterior lighting fitting, barrier, fence, flagpole, etc., and located within the boundaries of the place of insurance is insured with the building with the limit of indemnity of 15,000 euros.

Civil engineering work

- 1.8. Civil engineering work is construction work, other than a building, that is permanently attached to the subsoil and is built as a result of human action.
- 1.9. Unless otherwise agreed in the policy, a civil engineering work is not a solar power plant, wind turbine with a mast, storage tank or reservoir permanently attached to the subsoil or other object specified in clause 1.2.

Interior finishing

- 1.10. Interior finishing is the part of a building whose removal does not damage the stability or external appearance of the building, parts of the building in the adjacent room or the rights of the possessor of the adjacent room.
- 1.11. Interior finishing includes doors and windows, non-load-bearing partition wall (including glass structure), floor, suspended ceiling, wall and floor covering material (except for removable carpet), in-built furniture (which is non-removable and cannot be separated without causing significant damage to the interior finishing), sanitary equipment, utility system of the room (e.g. gas, heating, water supply, sewerage, ventilation, cooling, electricity, communications and alarm system) on which the possessor of the room is only dependent.
- 1.12. Unless otherwise agreed in the policy, interior finishing does not include an object that is located in interior space of the building and can be regarded as inventory, equipment or goods (e.g. furniture, lighting fittings, curtain poles).

Inventory and equipment

- 1.13. Inventory and equipment are the tangible assets located in the place of insurance, e.g. furniture, computer, printer, tool, spare part or accessory, removable carpet and lighting fitting, motor vehicle not subject to registration, production equipment, ventilation, local extraction, heating, steam generation, water supply, sewerage, freezing and cooling system or transformer meant for use in the production process.
- 1.14. Inventory and equipment are insured without the list of property being insured and all the tangible assets (fixed assets and supplies) located in the place of insurance, except for a building, civil engineering work, interior finishing, goods and the objects listed in clause 1.2, are insured. An insured object also includes inventory and equipment acquired during the insurance period.
- 1.15. Inventory and equipment that are not included in the list of fixed assets and supplies of the insured person, but that are in the possession of the insured person and in respect of which the insured person has insurable interest is insured together with the objects specified in clause 1.14 with the limit of indemnity of 5,000 euros unless insurance of the aforementioned property to other extent has been agreed in the policy.
- 1.16. Every single object listed constitutes a separate insured object.

Goods

- 1.17. Goods are raw material, material, semi-finished and finished products that are used in the production process or with regard to which the insured person has the intention to sell.
- 1.18. Goods do not include a building, interior finishing, civil engineering work, inventory, equipment or the objects listed in clause 1.2.

2. Place of insurance

- 2.1. Place of insurance is the construction work or the interior space(s) of the construction work specified in the policy.
- 2.2. The place of insurance of the inventory, equipment and goods is the interior space(s) of the construction work located at the address specified in the policy. The insurance cover extends to an insured object situated in the territory of the insured person and located in the place of insurance outside of construction work if the aforementioned object has been meant for outdoor use or storage. In this case, the insurance cover is in effect against fire, storm, flood and all-risk if this insurance cover has been chosen in the policy.

3. Insured events of property insurance

- 3.1. Insured events of property insurance include fire, pipe leak, burglary, storm, flood, vandalism, glass breakage and all-risk, i.e. any other non-excluded event.
- 3.2. A more detailed explanation of the substance and exclusions of an insured event is provided in the sub-clauses below.
- 3.3. In addition to the exclusions set out in the sub-clauses, damage caused by the events specified under exclusions in the general terms and conditions of insurance contracts is not subject to indemnification.
- 3.4. In addition, it is also possible to choose the additional insurance covers set out in clause 4.

Fire

- 3.5. Damage resulting directly from the following is indemnified:
 - 3.5.1. fire;
 - 3.5.2. arson by a third party;
 - 3.5.3. direct contact with lightning;
 - 3.5.4. overvoltage or excess voltage caused by lightning;
 - 3.5.5. explosion, including that of an explosive device or storage tank;
 - 3.5.6. crash of an aircraft or its part and cargo.
- 3.6. Fire is an open fire that has lit outside of the furnace prescribed to this end or has left it and spreads on its own.
- 3.7. If the direct contact with lightning, explosion (including that of an explosive device or storage tank), crash of an aircraft or its part and cargo has resulted in damage, but no fire, such damage is also subject to indemnification.
- 3.8. In addition, the soot and smoke damage that a fire involves is also indemnified.

Exclusions of fire

- 3.9. The following is not subject to indemnification:
 - 3.9.1. damage caused by fire that has not left the furnace or equipment in which the fire is used, including damage to the parts of the furnace or equipment (e.g. chimney, flue, control unit, hoses, cables);
 - 3.9.2. damage caused by blasting operations;
 - 3.9.3. damage caused by the influence of electric current on an electrical installation or electrical equipment, including overvoltage or excess voltage, overload, insulation failure such as short circuit, insufficient contact and failure of or damage to metering, control or safety equipment, except for the events specified in clause 3.5.4;
 - 3.9.4. damage that has a cause-and-effect relationship with renovation or construction operations in the place of insurance, except if the additional insurance cover of construction operations has been chosen in the policy.
- 3.10. If an event specified in clauses 3.9.1–3.9.3 causes fire, the damage arising from the fire is subject to indemnification.

Pipe leak

- 3.11. Damage resulting directly from the discharge of liquid or gas from the utility system (water, heating, sewerage or rainwater pipeline, fire extinguishing, ventilation or air conditioning system) of construction work is indemnified.

- 3.12. In addition, the following is also indemnified:
- 3.12.1. expenses resulting from the restoration of the utility system that caused the damage or elimination of frost damage caused to part of the utility system inside the building to the extent of up to 2,000 euros;
 - 3.12.2. cost of the water or other liquid discharged due to an insured event to the extent of up to 1,000 euros.

Exclusions of pipe leak

- 3.13. The following is not subject to indemnification:
- 3.13.1. damage arisen gradually over a long period of time or as a result of a long-term process (e.g. corrosion, oxidisation, formation of scale, accumulation of particles or sediment, formation of condensate, formation of excessive moisture and mould, rotting, formation of dry rot or other fungal damage);
 - 3.13.2. damage resulting directly or indirectly from the intrusion of liquid, due to natural phenomena, through sewerage;
 - 3.13.3. damage that has a cause-and-effect relationship with renovation or construction operations in the place of insurance, except if the additional insurance cover of construction operations has been chosen in the policy.

Burglary

- 3.14. Damage resulting directly from the following is indemnified:
- 3.14.1. theft committed in the place of insurance as a result of break-in into the building or a room thereof. Break-in is the removal of an obstacle, barrier or locking that hinders the entry to the building or room as well as the opening of the locking that hinders entry to the building or room with a false key, unlawfully received key, picklock or other mechanical aid;
 - 3.14.2. robbery committed in the place of insurance; Robbery is the deprivation of an insured object with violence or a threat thereof as well as the destruction of or damage to an insured object in the course of robbery;
 - 3.14.3. vandalism committed in the place of insurance in the course of break-in or robbery.
- 3.15. In addition, the expenses of restoring the barrier structure or part thereof, which was/were damaged in the course of a break-in or robbery or an attempt thereof, are also indemnified. Likewise, justified expenses incurred upon the replacement of a lock and acquisition of new locks are indemnified if the key or the code opening the lock was taken away from the possession of the insured person or a person authorised by the latter in the course of a break-in or robbery.

Exclusions of burglary

- 3.16. Damage not subject to indemnification includes damage caused by:
- 3.16.1. the person who works with the insured person or by the aforementioned person acting jointly with the burglar or robber or by the person who has a shared household with the insured person unless the building or room that constitutes the place of insurance was closed and locked to such persons;
 - 3.16.2. deprivation of an insured object without violence or a threat thereof or theft committed at a time when the insured object was unattended (the so-called unconcealed theft).

Vandalism

- 3.17. Damage caused by a third party and resulting directly from the following is indemnified:
- 3.17.1. unlawful impairment or destruction of an insured object;
 - 3.17.2. collision of a land vehicle with an insured object if the damage is not subject to indemnification on the basis of the Motor

Insurance Act;

- 3.17.3. theft of parts of the insured building, interior finishing or civil engineering work, including events where no break-in into the construction work or a room thereof has been committed.

Exclusions of vandalism

- 3.18. Damage not subject to indemnification includes damage caused by:
- 3.18.1. theft or taking away of inventory, equipment, goods or parts thereof;
 - 3.18.2. arson;
 - 3.18.3. explosion of an explosive device.

Storm

- 3.19. Damage resulting directly from the following is indemnified:
- 3.19.1. storm with the wind speed of at least 18 m/s;
 - 3.19.2. hail;
 - 3.19.3. a tree or other object that has fallen onto an insured object due to storm.
- 3.20. In addition, damage caused by the penetration of precipitation into construction work through an opening that has arisen due to the circumstances listed in clause 3.19 is also indemnified.
- 3.21. Damage arisen in the place of insurance due to storm within up to 72 hours is deemed to constitute one insured event.

Exclusions of storm

- 3.22. Damage not subject to indemnification includes damage:
- 3.22.1. resulting directly or indirectly from flood, including flood caused by a storm;
 - 3.22.2. that has a cause-and-effect relationship with renovation or construction operations in the place of insurance, except if the additional insurance cover of construction operations has been chosen in the policy;
 - 3.22.3. that has become possible as a result of a long-term process (e.g. corrosion, rotting, mould, dry rot, fungal damage);
 - 3.22.4. caused by the intrusion of precipitation into the place of insurance through the external structure (e.g. roof, wall, window) of construction work, except for the intrusion through an opening that has arisen due to the circumstances listed in clause 3.19.

Flood

- 3.23. Damage resulting directly from a natural flood is indemnified.
- 3.24. Natural flood means an extraordinary rise of the water level on the ground due to natural phenomena (including storm, precipitation, flood of a water body) to such an extent in the case of which the ground and the drainage system (including the drainage and sewerage system) established according to the design cannot take in the amount of water arisen.
- 3.25. Damage arisen in the place of insurance due to flood within up to 72 hours is deemed to constitute one insured event.

Exclusions of flood

- 3.26. Damage not subject to indemnification includes damage:
 - 3.26.1. arisen as a result of water moving below the ground level when water penetrates into a building only through an underground structure. This exclusion does not apply in the case set out in clause 3.23;
 - 3.26.2. caused by building or breakage of construction work that blocks running water;
 - 3.26.3. that has a cause-and-effect relationship with renovation or construction operations in the place of insurance, except if the additional insurance cover of construction operations has been chosen in the policy.

Glass breakage

- 3.27. Damage subject to indemnification includes damage resulting directly from breakage of inner or external glass permanently installed on a building, civil engineering work or interior finishing and from damage to advertising (painted or stuck texts) that has been applied to glass and belongs to the insured person. Plastic materials used instead of glass (e.g. acrylic plastic, polycarbonate) are considered equivalent to glass surfaces.

Exclusions of glass breakage

- 3.28. Damage not subject to indemnification includes damage:
 - 3.28.1. as a result of which the glass surface is scratched, dirty or of less transparency, but the glass has not lost its durability or does not compromise the health or life of people;
 - 3.28.2. caused by substandard quality or thermal breakage of the glass;
 - 3.28.3. arising from processing the glass surface;
 - 3.28.4. caused by errors made upon installation;
 - 3.28.5. that has a cause-and-effect relationship with renovation or construction operations in the place of insurance, except if the additional insurance cover of construction operations has been chosen in the policy;
 - 3.28.6. arisen from subsidence, cracking, shrinkage or expansion of construction work, regardless of the cause and event.

All-risk (i.e. any other non-excluded event)

- 3.29. Damage subject to indemnification includes damage resulting directly from any other unexpected and unforeseeable event not specified in clauses 3.5–3.28 above. All-risk insured events include, for example, events resulting from breakage of the utility system of a building ('internal failure'), collision of a land vehicle driven by an employee of the company with an insured object, tip-over of an insured object or fall of an insured object to the ground, fall of a tree, antenna or other object onto an insured object if this fall has not been caused by a storm.

All-risk exclusions

- 3.30. The following is not subject to indemnification:
 - 3.30.1. damage caused to inventory or equipment and resulting from an event specified in clauses 14.5–14.8 of the equipment breakdown insurance. The aforementioned exclusion does not apply to the inventory and equipment that are to be regarded, pursuant to clause 1.3, as part of the building or, pursuant to clause 1.11, as part of interior finishing;
 - 3.30.2. damage arisen due to a programming or design error, regardless of the cause and event that caused the error or the person who made the error;
 - 3.30.3. damage caused by assembly, disassembly, configuration, testing or test operation, work of substandard quality, faulty or insufficient work standard or method, or failure to act by the insured person or a person working with the latter;
 - 3.30.4. damage caused to the equipment that is not ready for use (e.g. the equipment has not been assembled or has been disassembled, the configuration, testing or test operation prescribed by the manufacturer has not been performed or completed);
 - 3.30.5. functional breakdown, malfunction, failure or non-functionality of equipment and expenses related to the elimination thereof (e.g. software failure or non-functionality, alteration, erasure or theft of data, intentional damaging of data or software, including by unauthorised access, computer virus, or incompatibility of data and software, or overcharging);
 - 3.30.6. damage arisen due to non-purposeful or incorrect use;
 - 3.30.7. damage caused by failure to adhere to the user or maintenance manual or failure to fulfil a requirement or perform an obligation prescribed by the manufacturer (e.g. failure to perform maintenance, outdoor storage of material prescribed for indoor storage);
 - 3.30.8. the cost of replacing such part or component (e.g. blade, chain, tape, gasket, filter, bearing, battery) of equipment whose degree of wear is high, service life is short or that would have been subject to replacement after the expiry of the period of time or service life prescribed by the manufacturer. If the aforementioned part or component of equipment has become damaged as a result of an insured event (e.g. fire), the cost of replacing it is subject to indemnification;
 - 3.30.9. maintenance expenses and the cost of the part to be replaced in the course of it (e.g. liquid, oil, fuel, etc.);

- 3.30.10. damage for which a third party (e.g. manufacturer, seller, builder, installer or the person who performed the maintenance) is liable under a contract;
- 3.30.11. damage that has a cause-and-effect relationship with renovation or construction operations in the place of insurance, except if the additional insurance cover of construction operations has been chosen in the policy;
- 3.30.12. damage arisen due to subsidence, cracking, shrinkage or expansion of construction work;
- 3.30.13. damage arisen gradually over a long period of time or as a result of a long-term process (e.g. corrosion, oxidisation, formation of scale, accumulation of particles or sediment, formation of condensate, formation of excessive moisture and mould, rotting, formation of dry rot or other fungal damage) as well as damage arisen due to usual and normal wear and tear and material fatigue (including the emergence of scratches and notches);
- 3.30.14. damage caused by water or other liquid that intruded through the external structure (e.g. roof, wall, window) of construction work;
- 3.30.15. damage caused by a plant, animal, bird, insect or other pest;
- 3.30.16. damage arisen to material, semi-finished or finished product upon its processing;
- 3.30.17. damage arisen due to interruption to the electricity, water, gas or other energy supply;
- 3.30.18. damage arisen due to spoilage, thawing or change in properties of goods;
- 3.30.19. damage caused by contamination or pollution (e.g. with poison, soot, sediment, dust, etc.);
- 3.30.20. damage arisen to an insured object located outside of construction work or in an open construction work and caused by wind, rain, snow, frost, flood or other natural phenomenon, sand or dust if the object is not intended for outdoor use;
- 3.30.21. damage caused by theft, loss or deficit that appeared during the inventory check, or saving or placing data in the wrong place;
- 3.30.22. damage caused by deficiencies of aesthetic nature (e.g. scratch, dent, notch, stain, tear) that do not affect the use of the insured object for its intended purpose.

4. Additional insurance covers

The additional insurance cover is only valid if it has been agreed separately in the policy, including if the possible limit of indemnity per insured event has been agreed.

4.1. Deductible insurance

The agreed portion of deductible is also indemnified if the amount of damage exceeds the amount of deductible set out in the policy. If the amount of damage is smaller than the amount of deductible, no deductible insurance applies.

4.2. 20% extension of under-insurance

No under-insurance applies if the insurable value of an insured object does not differ from the sum insured more than 20% at the moment an insured event occurs.

4.3. Construction operations

If the contractual value of construction operations does not exceed 50,000 euros, the insurance cover extends to an insured event caused by construction performed in the place of insurance. If the volume of the operations exceeds 50,000 euros, an additional agreement or a separate insurance contract must be entered into.

If work involving an open flame is performed in the place of insurance, fire safety requirements in force in the Republic of Estonia must be observed. Damage caused by disregarding requirements for the performance of work involving an open flame is not indemnified.

4.4. Terrorism

The insurance cover extends to damage caused by terrorism. Terrorism is deemed to be an activity that has been:

- committed for political, religious, ideological or other similar purposes, comprises a violent act or unlawful use of force or an unlawful act and compromises the life or tangible assets of people;
- committed by a person or a group of persons that acts because of political, ideological, ethnical, religious or other similar considerations;
- aimed at threatening or influencing, etc., civilian population, state or government.

Despite the aforementioned, damage subject to indemnification does not include any damage whose direct or indirect cause is in any manner related to radioactive or nuclear substance, material, equipment or weapon or biological or chemical substance, material, equipment or weapon.

4.5. Area of validity of insurance cover of portable laptop and tablet computers

The insurance cover of laptop and tablet computers is valid all over the world. The insurance cover is also valid in the case of a traffic accident. The burglary insurance cover outside of the place of insurance is only valid if the insured object is located in a closed and locked interior space of a building or in a closed and locked vehicle in a place not visible for third parties in the luggage or glove compartment.

4.6. Insurance cover of inventory and equipment acquired during insurance period

The insurance cover extends to inventory and equipment located in the place of insurance and acquired during the insurance period to the extent of the sum insured as agreed in the policy.

4.7. Temporary relocation of inventory and equipment

The insurance cover of inventory and equipment remains valid during the period of performance of the repair and maintenance work thereof outside of the place of insurance set out in the policy. The cover is valid within the borders of the Republic of Estonia at the place where the aforementioned work is performed provided that the possibility of occurrence of an insured event in the place of performance of the work is not larger than that in the main place of insurance under the policy. The insurance cover does not extend to damage arisen to an object in the course of transport between the places of insurance.

4.8. Additional cover of owner of building (damage caused to building by lessee)

The insurance cover extends to damage to the building constituting an insured object, which results from an insured event caused by a lessee the same way as if the event had been caused by a third party within the meaning of the insurance

contract. This means that, upon performing obligations arising from the insurance contract, a lessee is not considered equivalent to the policyholder and the damage is subject to indemnification to the owner of the building regardless of whether the activities of the lessee provide a basis for refusing to pay insurance indemnity to the owner of the building or for reducing it. In addition to the aforementioned, in the case of an insured event the insurer does not file a recourse action against the lessee, except if the damage has been caused by the lessee's gross negligence, intention or the lessee's activities while intoxicated with alcohol or under the influence of drugs or other psychotropic substances.

5. Expenses arising from prevention of damage, demolition and cleaning work, and legislation

- 5.1. In the case of an insured event of property insurance, the following is indemnified:
 - 5.1.1. the expenses of prevention or reduction of damage, even if they have not produced the desired result;
 - 5.1.2. the expenses of demolition and cleaning of an insured object as well as necessary expenses of collection of demolition and cleaning waste;
 - 5.1.3. the expenses that must be borne upon the restoration of an insured object for the fulfilment of requirements and observance of precepts of competent authorities.
- 5.2. The justified expenses listed in clause 5.1 are indemnified to the extent of up to 10% of the sum insured of the insured object and in the maximum amount of 300,000 euros. These expenses are also indemnified if the total amount of the proprietary damage and the listed expenses exceeds the sum insured.

6. Sum insured and insurable value

- 6.1. Sum insured is the maximum amount payable per insured event.
- 6.2. Sum insured does not decrease upon payment of the insurance indemnity.
- 6.3. Insurable value is the value of an insured object at the time an insured event occurs. The policyholder is required to notify ERGO of the correct insurable value.
- 6.4. The insurable value of a building, civil engineering work and interior finishing is the reinstatement value or residual value.
- 6.5. Reinstatement value means the expenses of restoration of a similar building, civil engineering work or interior finishing.
- 6.6. Residual value means the reinstatement value that has been reduced by the depreciation of the building, civil engineering work or interior finishing. Residual value is the insurable value if the depreciation of the building, civil engineering work or interior finishing is more than 50% or if the residual value is specified as the insurable value in the policy.
- 6.7. The insurable value of inventory and equipment is the reacquisition value or market value.
- 6.8. Reacquisition value means the expenses of reacquisition of a new equivalent object (with the same purpose of use and the same technical specifications).
- 6.9. Market value means the expenses of reacquisition of an equivalent object (with the same purpose of use and the same technical specifications). Market value is used if the market value of an object is less than 50% of the reacquisition value of the object or if the market value is specified as the insurable value in the policy.
- 6.10. The insurable value of goods is the reacquisition value thereof, which means the expenses of reacquisition of equivalent goods (with the same properties and technical specifications).

7. Limit of indemnity and first risk insurance

- 7.1. Limit of indemnity is the maximum limit of the insurance indemnity agreed in the insurance contract. It is the largest amount payable per insured event, in the case of which the terms and conditions regarding under-insurance remain valid. Insurance with a limit of indemnity has only been agreed if a respective notation has been made in the policy.
- 7.2. First risk insurance is the maximum limit of the insurance indemnity agreed in respect of an insured object. It is the largest amount payable per insured event, in the case of which the terms and conditions regarding under-insurance do not apply. First risk insurance has only been agreed if a respective notation has been made in the policy.

8. Insurance indemnity

- 8.1. Insurance indemnity is the amount of money paid out in order to indemnify for the proprietary damage arisen as a result of an insured event and for the expenses agreed in the insurance contract.
- 8.2. The amount of the insurance indemnity per insured event is limited to the amount of the damage arisen as a result of the event, the sum insured, insurable value or the maximum limit of the insurance indemnity agreed in the insurance contract. If the total amount of the proprietary damage and the expenses specified in clause 5 still exceed the sum insured, in addition to the sum insured, the expenses listed clause 5 are also indemnified, taking into account the limits established in clause 5.
- 8.3. Deductible is deducted from the insurance indemnity. Deductible applies to each insured event unless otherwise agreed.

9. Procedure for indemnification

- 9.1. In the case of an insured event, ERGO indemnifies the proprietary damage arisen and the expenses agreed in the insurance contract. Insurance indemnity is calculated on the basis of the insurable value of the insured object immediately before the occurrence of an insured event.

- 9.2. The amount of damage comprises the expenses of restoration or reacquisition of the insured object that was damaged, destroyed or lost as a result of an insured event and the expenses specified in clause 5.
- 9.3. If the insurable value of an insured object is the residual value, the amount of damage is reduced in accordance with the ratio of the residual value to the reinstatement value.
- 9.4. In the case of under-insurance, ERGO indemnifies the amount of damage in accordance with the ratio of the sum insured to the insurable value. If the sum insured does not differ from the insurable value more than 10%, no under-insurance applies.
- 9.5. In the case of over-insurance, ERGO indemnifies the amount of damage up to the insurable value.
- 9.6. In the case of insurance with a limit of indemnity, ERGO indemnifies the amount of damage up to the agreed maximum limit of the insurance indemnity and the terms and conditions regarding under-insurance remain valid.
- 9.7. In the case of first risk insurance, ERGO indemnifies the amount of damage up to the agreed maximum limit of the insurance indemnity without applying under-insurance.
- 9.8. If the insurable value is reinstatement value, the right to the portion of the indemnity that exceeds the residual value arises after the insurance indemnity has been used for the restoration of an object that is located in the same place, is of the same type and has the same purpose within two years of making the indemnification decision.
- 9.9. The portion of the insurance indemnity that exceeds the residual value (or market value) is indemnified on the basis of the calculation submitted in respect of the restoration of the object if the restoration of the object has achieved a ratio proportionally equal to that of the residual value (or market value) of the said object to the reinstatement value (or reacquisition value) of the object.
- 9.10. The portion of the value added tax to be refunded to the policyholder on the basis of the Value-Added Tax Act is not indemnified.

10. Policyholder's obligations

- 10.1. The policyholder is required to allow the representative of the insurer to examine the insured object and the documents and information necessary for entering into the insurance contract.
- 10.2. The policyholder must explain the obligations (including safety requirements) arising from the insurance contract to all the persons considered equivalent to the policyholder. If the respective person fails to perform the contract or fulfil the safety requirements, this means failure to perform the contract by the policyholder.
- 10.3. Upon the occurrence of an insured event, the policyholder is required to:
 - 10.3.1. immediately notify the police about the event if the intentional action of a third party is suspected, including submit a written application to the police;
 - 10.3.2. immediately notify the local rescue board about the event if a fire or explosion of an explosive device is involved;
 - 10.3.3. notify the respective competent authorities or persons about the event in other cases;
 - 10.3.4. preserve, if possible, the inviolability of the place of occurrence of the insured event until the insurer has issued its orders;
 - 10.3.5. submit the damaged object in the post-insured event state or remains thereof to the insurer for examination. The policyholder may not start restoring a damaged object or utilising a destroyed object without the insurer's consent;
 - 10.3.6. adhere to all the safety requirements arising from the legislation in force in Estonia, user manuals of equipment manufacturers and these safety requirements.

11. Safety requirements

- 11.1. Cleanliness and maintenance
 - 11.1.1. Everyday cleanliness and maintenance of rooms and territory is important from the point of view of the fire safety of the company.
 - 11.1.2. The interior spaces and territory of the company must be regularly cleaned of manufacturing waste and rubbish.
 - 11.1.3. Dustbins must be placed in the territory in such a manner that the spread of fire would be precluded if they ignite.
 - 11.1.4. Excessive fire load (e.g. pallets and packaging material) must be removed from the workplace immediately after the respective work has been completed.
 - 11.1.5. All passageways on the manufacturing and warehouse premises must be kept free of any obstacles.
 - 11.1.6. The escape routes must be kept free of any obstacles and no objects may be stored there even temporarily.
- 11.2. Smoking

Smoking is only permitted in the places prescribed and furnished for the purpose.
- 11.3. Work involving an open flame
 - 11.3.1. Work involving an open flame is work involving heating or heat generation of a component or material, generation of sparks or using open (out-of-furnace) fire, such as gas welding and gas flame work, electric welding work, metal cutting with a combustible liquid, soldering using a combustible liquid, metal cutting with a right angle grinder, heating and use of bitumen and other combustible mastic, use of gas flame or a hot air blower, forging or other activities with the use of a flame or generation of sparks or temperature, under the impact of which the surrounding combustible material may catch fire, thus creating an actual fire hazard.
 - 11.3.2. Work involving an open flame must be performed adhering to the legislation in force.
 - 11.3.3. Work involving an open flame may be performed by a person holding a respective qualification and certificate and proper approval.
- 11.4. Structural fire protection
 - 11.4.1. Constant care must be taken of the maintenance of fire doors, hatches and windows.
 - 11.4.2. Fire doors must generally be closed, except for automatic doors for which unobstructed closure and fixation in a

- closed position must be ensured.
- 11.4.3. Blocking fire doors (getting them stuck, binding them, etc.) is prohibited.
 - 11.4.4. Openings and the feedthroughs of utilities are filled to the entire width of the structure with a non-combustible material that does not reduce the fire resistance time of the structure.
- 11.5. Storage
- 11.5.1. Goods located in a room below the ground must be stored at a height of at least 12 cm from the floor.
 - 11.5.2. Combustible material is stored according to the compatibility of hazardous substances.
 - 11.5.3. Escape routes, access to electrical separation devices and fire-extinguishing equipment may not be blocked with materials or inventory and equipment.
 - 11.5.4. The surroundings of the equipment must be kept free of materials and products.
 - 11.5.5. Storage in a building and in the immediate vicinity of a building (including the storage of combustible material) must be organised in such a manner that it does not cause a fire hazard or hinder rescue work.
 - 11.5.6. Combustible material must be stored at a safe distance from construction work, according to valid standards.
- 11.6. Heating devices
- Heating devices must be in compliance with the building design documentation of the construction work or heating device. Heating devices must be installed observing the safety distances determined for them.
- 11.7. Fire detection and fire alarm system
- 11.7.1. If a fire detection and fire alarm system exists, it must be switched on 24 hours a day.
 - 11.7.2. The fire detection and fire alarm system must be designed, installed and maintained in accordance with the legislation in force.
- 11.8. Security alarm system
- 11.8.1. If a security alarm system exists, it must certainly be switched on when leaving the place of insurance.
 - 11.8.2. The security alarm system must be installed in such a manner that the insured object for which the burglary insurance cover has been chosen is located within the range of operation of the sensors of the security alarm system.
 - 11.8.3. Warehousing, construction engineering solution, placement of furniture, etc., may not reduce the working area or sensitivity of the sensors. It must be taken into account that the building or the room located therein may be broken in through a door, window, wall, roof, etc.
 - 11.8.4. The security alarm system must operate in such a manner that it engages upon the occurrence of a threat and ensures transmission of an alarm. The policyholder is required to ensure that upon the engagement of the security alarm system and receipt of an alarm an employee of the security company or a representative of the policyholder inspects the building or room constituting the place of insurance both from the inside and outside.
 - 11.8.5. The security alarm system must be in working order and its operation may not be disturbed by acts or omissions of the policyholder or the persons considered equivalent to the policyholder.
 - 11.8.6. The codes of the security alarm system may not fall into the hands of any third parties.
- 11.9. Locking and depositing keys (codes)
- 11.9.1. Upon leaving the place of insurance, all the windows, hatches and other openings of the building or room constituting the place of insurance must be closed in such a manner that without breaking or removing the closure(s) or barrier restricting access it is impossible to enter the place of insurance.
 - 11.9.2. Upon leaving the place of insurance, the doors of the building or rooms constituting the place of insurance as well as the safes and security lockers located in the place of insurance must be closed and locked.
 - 11.9.3. The keys and opening codes of locks as well as the keys and codes of the security alarm system may not be kept in a place or manner that allows a third party to gain access to them.
 - 11.9.4. If a key or code gets lost or in the case that third parties obtain unlawful possession of the key or code, the insured person must immediately exchange the lock or code.
- 11.10. Water supply, sewerage and heating system
- 11.10.1. The policyholder is required to take care of the maintenance of the water supply, sewerage and heating system.
 - 11.10.2. Water supply, sewerage and heating system located in a building or part of a building that is not used or heated must be emptied, closed and kept empty.

EQUIPMENT BREAKDOWN INSURANCE

12. Insured object

- 12.1. The insured object (hereinafter the equipment) is:
- 12.1.1. an electronic equipment the age of which is not more than five (5) years at the moment of issue of the policy;
 - 12.1.2. industrial and production equipment the age of which is not more than ten (10) years at the moment of issue of the policy;
 - 12.1.3. medical and laboratory equipment the age of which is not more than ten (10) years at the moment of issue of the policy;
 - 12.1.4. other equipment of independent purpose of use.
- 12.2. The equipment is insured in such a set as determined by the manufacturer. The items insured with the equipment also include its input and output devices, such as a computer mouse, keyboard and other similar object.
- 12.3. Unless otherwise specified in the policy, the insured object does not include:
- 12.3.1. the equipment that is not ready for use in the manner and for the purpose determined by the manufacturer thereof (e.g. the equipment has not been assembled or has been disassembled, the configuration, testing or test operation prescribed by the manufacturer has not been performed or completed);
 - 12.3.2. the foundation or post or most of the equipment and other similar construction work to or on which the equipment has been installed or fastened;

- 12.3.3. the equipment that can be defined as an essential part of a building;
- 12.3.4. the mould, template and any other similar object necessary for the manufacture of a product;
- 12.3.5. the software installed and the information saved in the equipment or onto any data media.

Electronic equipment

- 12.4. Electronic equipment is computer and office equipment, such as a tablet and laptop computer, desktop computer, display, server, printer, scanner, photocopying machine, projector, TV set, screen, landline telephone, telephone system, conference call system or other such object of independent purpose of use prescribed for saving, processing, transmitting, presenting and reproducing information.

Industrial and production equipment

- 12.5. Industrial and production equipment is an object of independent purpose of use prescribed for the manufacture of a product or part of it or for the production, conversion, transmission, distribution or use of energy.

Medical and laboratory equipment

- 12.6. Medical and laboratory equipment has been prescribed for the conduct of a study, analysis, treatment or supervision thereof or for the performance of other similar activities.

Other equipment of independent purpose of use

- 12.7. Other equipment of independent purpose of use is an object prescribed for example for survey, measurement, conduct of a geodetic or geotechnical study or any other object of independent purpose of use. Other equipment of independent purpose of use may also be an uninterrupted power source (UPS), ventilation or cooling equipment that is used for keeping other equipment (e.g. a computer, server) in operation.

13. Place of insurance

- 13.1. The place of insurance is the interior space(s) of the construction work specified in the policy.
- 13.2. The insurance cover extends to insured equipment situated in the territory of the insured person and located in the place of insurance outside of construction work if the aforementioned equipment has been meant for outdoor use.

14. Insured events of equipment breakdown insurance

- 14.1. Insured events of equipment breakdown insurance are power failure and equipment breakdown.
- 14.2. A more detailed explanation of the substance and exclusions of an insured event is provided in the sub-clauses below.
- 14.3. In addition to the exclusions set out in the sub-clauses, damage caused by the events specified under exclusions in the general terms and conditions of insurance contracts is not subject to indemnification.
- 14.4. In addition, it is also possible to choose the additional insurance covers set out in clause 15.

Power failure

- 14.5. Damage caused to equipment by the following is indemnified:
 - 14.5.1. short circuit, short-circuit current, short-circuit voltage, excess voltage or overvoltage, undervoltage or other electric or magnetic impact (e.g. short circuit in equipment due to damage to the electrical insulation, short circuit in equipment due to residual current);
 - 14.5.2. breakdown of an operating, control or protection device (e.g. breakdown of a residual current device, lightning protection system or other electrical installation);
 - 14.5.3. transmission of lightning through the power network or electromagnetic environment;
 - 14.5.4. electricity transmission failure of which no notice has been given in advance (e.g. a tree falling onto the overhead electricity transmission line due to storm or breakage of underground electricity cable line during digging or fire in a power network substation that has resulted in short-circuit current or voltage in the power network and short circuit in equipment). Breakage of equipment or part of it due to short circuit is also subject to indemnification.

Exclusions of power failure

- 14.6. The following is not subject to indemnification:
 - 14.6.1. damage arisen due to non-compliance of an electrical installation or equipment with the prescribed requirements if the person liable for the compliance with the requirements is the policyholder (e.g. if the protective earthing or residual current device is not in compliance with the requirements or not technically in order);
 - 14.6.2. damage arisen as a result of the electricity transmission failure of which notice has been given in advance;
 - 14.6.3. damage for which the network operator is liable on the basis of law or a contract;
 - 14.6.4. damage for which the manufacturer or seller (e.g. product warranty), installer or the person who performed the maintenance is liable on the basis of law or a contract;
 - 14.6.5. the cost of replacement of an electric bulb or lamp unless otherwise agreed in the policy;
 - 14.6.6. the cost of performing maintenance and bringing into compliance with the prescribed requirements as well as the cost of the part being replaced in the course of it.

Equipment breakdown

- 14.7. Damage caused to equipment by the following is indemnified:
 - 14.7.1. mechanical force or centrifugal force that has caused the breakage or cracking of the equipment or part of it;

- 14.7.2. breakdown of the operating, control or protective device that has caused the breakage or cracking of the equipment or part of it (e.g. breakdown of a pressure or temperature protective installation);
- 14.7.3. failure in the water, steam or gas supply of which no notice has been given in advance and that has caused the breakage of or damage to the equipment;
- 14.7.4. overpressure that has caused the breakage of or damage to the equipment;
- 14.7.5. foreign substances falling into the equipment that has caused the breakage of or damage to the equipment;
- 14.7.6. use of substandard material or making a technological error upon manufacture of equipment that has caused the breakage or cracking of the equipment;
- 14.7.7. negligence of the user of equipment (e.g. unintentional work method caused by insufficient training of the user) that has caused the breakage or cracking of the equipment.

Exclusions of equipment breakdown

- 14.8. The following is not subject to indemnification:
- 14.8.1. damage arisen due to fatigue failure and cracking;
 - 14.8.2. damage arisen due to mechanical vibration;
 - 14.8.3. damage arisen due to a programming error, regardless of the cause and event that gave rise to the error or the person who made the error;
 - 14.8.4. damage arisen to equipment in the course of processing the material or object (e.g. the corrosive impact of particles emitted during processing);
 - 14.8.5. damage arisen as a result of the water or gas supply failure of which notice has been given in advance;
 - 14.8.6. damage for which the network operator is liable on the basis of law or a contract;
 - 14.8.7. damage for which the manufacturer or seller (e.g. product warranty), installer or the person who performed the maintenance is liable on the basis of law or a contract;
 - 14.8.8. the cost of replacing such part or component (e.g. blade, chain, tape, gasket, filter, bearing, battery) of equipment whose degree of wear is high, service life is short or that would have been subject to replacement after the expiry of the period of time or service life prescribed by the manufacturer. If the aforementioned part or component of equipment has become damaged as a result of an insured event (e.g. foreign substance falling into the equipment), the cost of replacing it is subject to indemnification;
 - 14.8.9. the cost of replacement of liquid, oil, fuel, etc., unless otherwise agreed in the policy;
 - 14.8.10. the cost of performing maintenance and bringing into compliance with the prescribed requirements as well as the cost of the part being replaced in the course of it.
 - 14.8.11. overtime pay for the restoration of the equipment or part of it that has become damaged, the cost of expedited delivery of the part of the equipment being replaced, the cost of hiring an expert or adviser and related travel and accommodation costs unless otherwise agreed in the policy;
 - 14.8.12. damage arisen gradually over a long period of time or as a result of a long-term process (e.g. corrosion, oxidation, formation of scale, accumulation of particles or sediment, formation of condensate) as well as damage arisen due to usual and normal wear and tear (including the emergence of scratches and notches).

15. Additional insurance covers

The additional insurance cover is only valid if it has been agreed separately in the policy, including if the possible limit of indemnity per insured event has been agreed.

15.1. Deductible insurance

The agreed portion of deductible is also indemnified if the amount of damage exceeds the amount of deductible set out in the policy. If the amount of damage is smaller than the amount of deductible, no deductible insurance applies.

15.2. 20% extension of under-insurance

No under-insurance applies if the insurable value of an insured object does not differ from the sum insured more than 20% at the moment an insured event occurs.

16. Expenses arising from prevention of damage, demolition and cleaning work, and legislation

- 16.1. In the case of an insured event of equipment breakdown insurance, the following is indemnified:
- 16.1.1. the expenses of prevention or reduction of damage, even if they have not produced the desired result;
 - 16.1.2. the expenses of disassembly of the object that has become damaged, transport expenses thereof to the closest service station and back to the place of insurance and the expenses of assembly of the restored object;
 - 16.1.3. the expenses that must be borne upon the restoration of an insured object for the fulfilment of requirements and observance of precepts of competent authorities.
- 16.2. The justified expenses listed in clause 16.1 are indemnified to the extent of up to 10% of the sum insured of the insured object and in the maximum amount of 30,000 euros. These expenses are also indemnified if the total amount of the proprietary damage and the listed expenses exceeds the sum insured.

17. Sum insured and insurable value

- 17.1. Sum insured is the maximum amount payable per insured event.
- 17.2. Sum insured does not decrease upon payment of the insurance indemnity.
- 17.3. Insurable value is the value of an insured object at the time an insured event occurs. The policyholder is required to notify

ERGO of the correct insurable value.

- 17.4. The insurable value of equipment is the reacquisition value or market value.
- 17.5. Reacquisition value means the expenses of reacquisition of a new equivalent object (with the same purpose of use and the same technical specifications).
- 17.6. Market value means the expenses of reacquisition of an equivalent object (with the same purpose of use and the same technical specifications). Market value is used if the market value of an object is less than 50% of the reacquisition value of the object or if the market value is specified as the insurable value in the policy.

18. Limit of indemnity and first risk insurance

- 18.1. Limit of indemnity is the maximum limit of the insurance indemnity agreed in the insurance contract. It is the largest amount payable per insured event, in the case of which the terms and conditions regarding under-insurance remain valid. Insurance with a limit of indemnity has only been agreed if a respective notation has been made in the policy.
- 18.2. First risk insurance is the maximum limit of the insurance indemnity agreed in respect of an insured object. It is the largest amount payable per insured event, in the case of which the terms and conditions regarding under-insurance do not apply. First risk insurance has only been agreed if a respective notation has been made in the policy.

19. Insurance indemnity

- 19.1. Insurance indemnity is the amount of money paid out in order to indemnify for the proprietary damage arisen as a result of an insured event and for the expenses agreed in the insurance contract.
- 19.2. The amount of the insurance indemnity per insured event is limited to the amount of the proprietary damage arisen as a result of the event, the sum insured, insurable value or the maximum limit of the insurance indemnity agreed in the insurance contract. If the total amount of the proprietary damage and the expenses specified in clause 16 still exceed the sum insured, in addition to the sum insured, the expenses listed clause 16 are also indemnified, taking into account the limits established in clause 16.
- 19.3. Deductible is deducted from the insurance indemnity. Deductible applies to each insured event unless otherwise agreed.

20. Procedure for indemnification

- 20.1. In the case of an insured event, ERGO indemnifies the proprietary damage arisen and the expenses agreed in the insurance contract. Insurance indemnity is calculated on the basis of the insurable value of the insured object immediately before the occurrence of an insured event.
- 20.2. The amount of damage comprises the expenses of restoration or reacquisition of the insured object that was damaged or destroyed as a result of an insured event and the expenses specified in clause 16.
- 20.3. In the case of under-insurance, ERGO indemnifies the amount of damage in accordance with the ratio of the sum insured to the insurable value. If the sum insured does not differ from the insurable value more than 10%, no under-insurance applies.
- 20.4. In the case of over-insurance, ERGO indemnifies the amount of damage up to the insurable value.
- 20.5. In the case of insurance with a limit of indemnity, ERGO indemnifies the amount of damage up to the agreed maximum limit of the insurance indemnity and the terms and conditions regarding under-insurance remain valid.
- 20.6. In the case of first risk insurance, ERGO indemnifies the amount of damage up to the agreed maximum limit of the insurance indemnity without applying under-insurance.
- 20.7. The portion of the insurance indemnity that exceeds the market value is indemnified on the basis of the calculation submitted in respect of the restoration of the object if the restoration of the object has achieved a ratio proportionally equal to that of the market value of the said object to the reinstatement value of the object.
- 20.8. The portion of the value added tax to be refunded to the policyholder on the basis of the Value-Added Tax Act is not indemnified.

21. Policyholder's obligations

- 21.1. The policyholder is required to allow the representative of the insurer to examine the insured object and the documents and information necessary for entering into the insurance contract.
- 21.2. The policyholder must explain the obligations (including safety requirements) arising from the insurance contract to all the persons considered equivalent to the policyholder. If the respective person fails to perform the contract or fulfil the safety requirements, this means failure to perform the contract by the policyholder.
- 21.3. Upon the occurrence of an insured event, the policyholder is required to:
 - 21.3.1. notify the respective competent authorities or persons about the event;
 - 21.3.2. preserve, if possible, the inviolability of the place of occurrence of the insured event until the insurer has issued its orders;
 - 21.3.3. submit the damaged object in the post-insured event state or remains thereof to the insurer for examination. The policyholder may not start restoring a damaged object or utilising a destroyed object without the insurer's consent;
 - 21.3.4. adhere to all the safety requirements arising from the legislation in force in Estonia, user manuals of equipment manufacturers and these safety requirements.

22. Safety requirements

The policyholder and the persons considered equivalent to the policyholder are required to adhere to the legislation in force in the Republic of Estonia and the safety requirements issued by authorities (e.g. the Electrical Safety Act, the Equipment Safety Act, the safety requirements set for electrical equipment and the electromagnetic compatibility requirements set for electrical installations or equipment) and the safety requirements set out in the insurance contract.

- 22.1. Putting equipment into service and use of equipment
 - 22.1.1. Equipment must be in compliance with the prescribed requirements and in a technically good condition before it is put into service.
 - 22.1.2. Necessary conditions must be created for proper use and maintenance of the equipment.
 - 22.1.3. Equipment must be put into service and used adhering to its user and maintenance manual as well as the requirements prescribed for its technical maintenance and condition.
 - 22.1.4. Equipment must be installed, assembled, configured and must have passed testing or test operation in accordance with the manufacturer's instructions and requirements.
 - 22.1.5. The equipment user must be provided with information about the use of the equipment. If instruction or training has been prescribed for the equipment user, the passing of the instruction or training must be documented in a format that can be reproduced in writing.
 - 22.1.6. Equipment may only be used in the manner and for the purpose determined by the manufacturer.
 - 22.1.7. The power network or system to which the equipment is connected must be earthed.
 - 22.1.8. Equipment may not be overloaded while using it, the limit prescribed by the manufacturer may not be exceeded.
 - 22.1.9. The use of the equipment must be suspended when a direct threat becomes evident.
- 22.2. Maintenance of equipment and related requirements
 - 22.2.1. The maintenance of equipment needs regular cleaning thereof from dust and removal of the accumulated and subsided particles, the condensate formed upon the liquefaction of steam, formed scale, subsided chemical substances and compounds, etc.
 - 22.2.2. The maintenance of equipment needs servicing thereof according to the maintenance manual of the equipment. Maintenance must be performed at the prescribed intervals. Failure to perform maintenance or postponement of maintenance is not permitted. All damage must be eliminated and a worn-out or damaged component, liquid, oil, fuel, etc., must be replaced in the course of performing maintenance. The performance of maintenance must be documented in a format that can be reproduced in writing.
 - 22.2.3. Maintenance of equipment may only be performed by the person competent in it.

BUSINESS INTERRUPTION INSURANCE

23. Insured object

- 23.1. The insured object is the operating profit and fixed expenses of business activities (sales of products and/or provision of services) specified in the policy, rental income or additional expenses.
- 23.2. Operating profit and fixed expenses
 - 23.2.1. Operating profit is the difference between the income and expenses of the insured person's business activities that indicates the performance result during a certain period of time (e.g. within 12 months).
 - 23.2.2. Operating profit is found by deducting the expenses of the products (goods or services) sold, fixed expenses and variable expenses from the income of the insured business activities.
 - 23.2.3. Fixed expenses are the costs of the insured person that remain constant as a result of an insured event, regardless of the change in the volume of products, goods or services. Fixed expenses are indemnified if their further incurrence is justified financially and pursuant to the legislation in force and they would also have been incurred if no insured event had occurred.
 - 23.2.4. Variable expenses are the costs of the insured person that are directly related to the change in the volume of products, goods or services.
- 23.3. Rental income
 - Rental or lease income is the fee payable to the insured person on the basis of a contract for renting or leasing an immovable or part of it. Rental or lease income does not include accessory expenses or other payments to be added to the rent or lease.
- 23.4. Additional expenses
 - 23.4.1. Additional expenses are the costs incurred by the insured person for limiting and/or reducing damage arisen as a result of business interruption that the person has considered necessary to bear (e.g. rental expenses of replacement premises, moving expenses).
 - 23.4.2. Additional expenses are not indemnified if the insured person might gain economic benefit therefrom.
- 23.5. Unless otherwise agreed in the insurance contract, the insured object does not include:
 - 23.5.1. the expenses related to the acquisition of goods, raw materials, semi-finished products and means of assistance;
 - 23.5.2. transport expenses related to the sale of products and/or services;
 - 23.5.3. expenses and costs directly related to the change in the volume of products, goods or services;
 - 23.5.4. net profit and other expenses (e.g. interest income and expenses, real estate transactions and related income and expenses);
 - 23.5.5. penalties, sanctions and claims for indemnification arising from failure to perform or properly perform a contractual obligation;
 - 23.5.6. state and local taxes (e.g. value added tax, excise duty, customs duty, income tax).

24. Sum insured and insurable value

- 24.1. Sum insured is the maximum amount payable per insured event.
- 24.2. Insurable value is the sum of the monetary values of the insured objects to the extent of the liability period. In addition, the expected change in turnover is also taken into account.
- 24.3. Sum insured does not decrease upon payment of the insurance indemnity.
- 24.4. The policyholder is required to notify ERGO of the correct insurable value.

25. Deductible

- 25.1. Deductible is the combination of the period of time and amount of money specified in the policy.
- 25.2. The period of time, i.e. the waiting period, applies as of the day following the occurrence of an insured event. If the business interruption period falls within the waiting period, the damage arisen is not subject to indemnification.
- 25.3. If the business interruption period is longer than the waiting period, the damage arisen is subject to indemnification and the agreed monetary deductible is deducted from the insurance indemnity calculated during the liability period.
- 25.4. Unless otherwise agreed in the policy, deductible applies to each insured event and also to the deductible of property and equipment breakdown insurance.

26. Insured event of business interruption insurance

- 26.1. Insured event is an unexpected and unforeseeable event in respect of the insured person, in the course of which the business activities specified in the policy are interrupted in the place of insurance during the validity of the insurance cover as a result of an insured event of property or equipment breakdown insurance.
- 26.2. There must be a cause-and-effect relationship between the business interruption and an insured event of property or equipment breakdown insurance.
- 26.3. In addition, it is also possible to choose the additional insurance covers set out in clause 29.

27. Business interruption damage and expenses for limiting it

- 27.1. Business interruption damage is the operating profit lost as a result of an insured event and the fixed expenses or rental income that the policyholder might have had during the liability period if no insured event had occurred.
- 27.2. Fixed expenses are only indemnified if their further incurrence is justified financially and pursuant to the legislation in force and they would also have been incurred if no insured event had occurred.
- 27.3. The justified expenses incurred upon limiting the damage arisen as a result of business interruption are only indemnified if they reduce the size of the indemnity obligation of ERGO and the incurrence thereof has been agreed with ERGO in advance. The aforementioned expenses are not indemnified if the policyholder gains economic benefit therefrom.

28. Exclusions of business interruption

- 28.1. The following is not subject to indemnification:
 - 28.1.1. damage caused by the fact that the insured person cannot use sufficient labour force or financial or technical means (e.g. property insurance has been entered into on the basis of under-insurance) for the restoration or reacquisition of a damaged, destroyed or lost object in time;
 - 28.1.2. damage caused in connection with the destruction, damage or loss of cash, securities and other documents, plans, drawings or other data media, accounting documents or any other written notes;
 - 28.1.3. damage caused by a decision or activity of a state authority or local government as well as the unforeseeable delay resulting therefrom (e.g. restriction on activities);
 - 28.1.4. damage caused by the fact that such improvements, extensions or amendments have also been made, at the request of officials, to the liability period that are not indemnified pursuant to these terms and conditions;
 - 28.1.5. damage caused by contractual partners who have failed to perform or properly perform their contractual obligations;
 - 28.1.6. damage arisen from the absence or insufficiency of electricity, water, gas or heat supply unless the damage has been caused by an insured event;
 - 28.1.7. damage to be indemnified by a third party or on the basis of other insurance contract;
 - 28.1.8. fines or sanctions (e.g. default interest) arising from the failure of the insured person to perform their contractual obligations;
 - 28.1.9. liquidation expenses of a company.

29. Additional insurance covers

The additional insurance cover is only valid if it has been agreed separately in the policy, including the possible limit of indemnity

per insured event.

29.1. Deductible insurance

The agreed portion of deductible is also indemnified if the amount of damage exceeds the amount of deductible set out in the policy. If the amount of damage is smaller than the amount of deductible, no deductible insurance applies.

29.2. 20% extension of under-insurance

No under-insurance applies if the insurable value of an insured object does not differ from the sum insured more than 20% at the moment an insured event occurs.

29.3. Construction operations

If the contractual value of construction operations does not exceed 50,000 euros, the insurance cover extends to an insured event caused by construction performed in the place of insurance. If the volume of the operations exceeds 50,000 euros, an additional separate agreement or a separate insurance contract must be entered into.

If work involving an open flame is performed in the place of insurance, such work must be performed in accordance with the fire safety requirements in force in the Republic of Estonia. Damage caused by disregarding requirements for the performance of work involving an open flame is not subject to indemnification.

29.4. Terrorism

The insurance cover extends to damage caused by terrorism. Terrorism is deemed to be an activity that has been:

- committed for political, religious, ideological or other similar purposes, comprises a violent act or unlawful use of force or an unlawful act and compromises the life or tangible assets of people;
- committed by a person or a group of persons that acts because of political, ideological, ethnical, religious or other similar considerations;
- aimed at threatening or influencing, etc., civilian population, state or government.

Despite the aforementioned, damage subject to indemnification does not include any damage whose direct or indirect cause is in any manner related to radioactive or nuclear substance, material, equipment or weapon or biological or chemical substance, material, equipment or weapon.

29.5. Extension of lessee's business interruption insurance cover

If an insured event of property or equipment breakdown insurance that has occurred in a building where the leased area is located causes business interruption against which the lessee has insured its business activities, the damage arisen from this interruption to business activities is also subject to indemnification and even if the lessee's own property was not damaged.

30. Liability period

30.1. Liability period is the period agreed in the policy and ERGO indemnifies for the damage arising from the interruption to business activities that has been incurred during that period.

30.2. The liability period starts from the moment an insured event of property or equipment breakdown insurance occurs.

31. Accounting period

31.1. Accounting period is the period on the basis of whose economic indicators the insurable value is determined and the insurance indemnity is calculated. The circumstances to be taken thereby into account are those of impact on the generation or amount of sales revenue (e.g. seasonality, cyclical nature, change in the selling price, change in expenses, etc.).

31.2. The duration of an accounting period is 12 months that precede the date of occurrence of an insured event.

32. Procedure for indemnification

32.1. In the case of an insured event, ERGO indemnifies the damage arisen for the period of interruption to business activities starting from the moment of the occurrence of the insured event and ending upon the achievement of the economic situation that the insured person would have had if no insured event had occurred or, however, no later than upon the expiry of the liability period.

32.2. In the case of under-insurance, ERGO indemnifies the damage arisen in accordance with the ratio of the sum insured to the insurable value. The same ratio is applied upon indemnifying additional expenses. If the sum insured does not differ from the insurable value more than 10%, no under-insurance applies.

32.3. In the case of over-insurance, ERGO indemnifies the damage arisen up to the insurable value.

32.4. All the circumstances that could have had either positive or negative impact on the performance and result of the company if no insured event had occurred are taken into account upon calculating the amount of the business interruption damage arisen as a result of an insured event (e.g. operating profit is not subject to indemnification and the amount of damage is reduced to the extent of this amount).

32.5. If the insurance indemnity has been reduced or the indemnification of damage has been refused on the basis of the terms and conditions of property or equipment breakdown insurance, the business interruption insurance indemnity is also reduced proportionally at the same rate or the indemnification thereof is refused.

32.6. If one month has passed from the business interruption and it is possible to determine the minimum amount to be indemnified for the time elapsed from the start of the business interruption, the policyholder has the right to request the payment of that amount. The same may also be requested for each subsequent month. In such a case, these amounts are regarded as an advance insurance indemnity and later deducted from the final insurance indemnity.

32.7. If it becomes evident that the business activities described in the insurance contract are not continued, the amount of damage is calculated to the extent of the period of time which, according to an expert assessment, would have been spent on the resumption of the same business activities during a period not exceeding the liability period. In such a case, only the operating profit is indemnified.

33. Policyholder's obligations

- 33.1. The policyholder is required to:
 - 33.1.1. notify ERGO of the circumstances significantly affecting the business activities or insurable value specified in the policy (e.g. the acquisition of machinery and equipment, completion of new construction work, expansion of production activities);
 - 33.1.2. notify ERGO immediately of an event of property or equipment breakdown insurance that may result in interruption to business activities;
 - 33.1.3. organise its accounting pursuant to the legislation of the Republic of Estonia, including the Accounting Act and generally accepted accounting principles;
 - 33.1.4. preserve the reports and accounting source documents of the last three financial years, making copies thereof that must be kept securely (including in a fireproof manner) and separately from the original documents to avoid their simultaneous destruction.
- 33.2. Upon the occurrence of an insured event, the policyholder is required to:
 - 33.2.1. immediately take measures for saving the insured object, preventing an increase in damage, reducing the duration of interruption to business activities and limiting the damage caused by the interruption to business activities (e.g. reduction of salary expenses) by consulting ERGO for instructions;
 - 33.2.2. allow ERGO to establish, in the course of the claim adjustment process, the cause for and amount of damage arisen as a result of an insured event, submitting the documentation, including reports of the last three financial years, necessary to this end.
- 33.3. The policyholder must provide ERGO with all the information that they have and that is required for the determination of the contractual obligations of ERGO, and authorise ERGO to obtain necessary information. If the policyholder does not perform this obligation, ERGO is released of its obligation to perform the insurance contract.

LIABILITY INSURANCE OF POSSESSOR OF CONSTRUCTION WORK

34. Insured event

- 34.1. Insured event is the unlawful causation of damage to a third party by possession and management of the immovable, construction work or part of the construction work specified in the insurance contract (hereinafter the event) as a result of which the insured person has a statutory obligation to indemnify for damage. The insured event must have occurred during the insurance period.
- 34.2. The insurance contract extends to all the natural persons working for and/or carrying out an assignment of the insured person and who are used in economic activities for performing work-related duties.
- 34.3. The insurance contract extends to all legal persons used by the insured person for the performance of the obligations of the latter (e.g. management and maintenance companies), but only if the causation of damage is related to the possession and management of the insured immovable, construction work or part of the construction work and the insured person incurs statutory liability. The insurance cover is only valid provided that the claim is filed against the insured person.
- 34.4. Causing damage must have a cause-and-effect relationship with the possession and management of an immovable, construction work or part of construction work (e.g. the fall of ice from the roof, the fall of a billboard, unmaintained slippery road, etc.). The insurance cover does not extend to claims related to other economic activities of the insured person.
- 34.5. All claims arising from one and the same cause or event are deemed to constitute one insured event. The time of occurrence of the first event is deemed to be the time of occurrence of the insured event.

35. Additional insurance covers

The additional insurance cover is only valid if it has been agreed separately in the policy, including if the possible limit of indemnity per insured event has been agreed.

- 35.1. Deductible insurance
The agreed portion of deductible is also indemnified if the amount of damage exceeds the amount of deductible set out in the policy. If the amount of damage is smaller than the amount of deductible, no deductible insurance applies.
- 35.2. Property in possession of insured person
The insurance cover extends to claims arising from damage to the movable property of a third party that is in the possession of the insured person, but only if causing the aforementioned damage has a cause-and-effect relationship with the possession and management of the immovable, construction work or part of the construction work. Claims arising from the theft, loss or robbery of property are not subject to indemnification. The insurance cover does not extend to the property that the insured person uses in its economic activities (tools, vehicles, machinery, etc.).

36. Term of insurance contract

- 36.1. Damage is indemnified in accordance with the terms and conditions of the insurance contract in effect at the time when the event occurred, the sum insured and the deductible.
- 36.2. Upon entry into an insurance contract, the parties to the insurance contract may agree on an extended period for notification

of claims filed against the insured person.

- 36.3. In the case of an extended period for notification of claims filed against the insured person, the insurance cover extends to the claims that are filed against the insured person within the agreed term after the expiry of the insurance period, whereby the damage serving as a basis for the claim was caused during the insurance period.
- 36.4. Unless an extended period for notification of claims has been agreed separately, the insurance cover extends to the claims that are filed against the insured person within one year after the expiry of the insurance period.

37. Sum insured

- 37.1. Sum insured is the sum agreed in the insurance contract, which constitutes the maximum limit of all the insurance indemnities payable on the basis of the insurance contract.
- 37.2. In addition, the limit of indemnity of a single event may be agreed, which is the largest possible insurance indemnity in the case of all the claims arising from one and the same causation of damage. If no limit of indemnity of a single event is specified, it is deemed to be equal to the sum insured.
- 37.3. The sum insured decreases by the insurance indemnity paid out on the basis of the same insurance contract.
- 37.4. To restore the sum insured, a supplementary contract may be entered into.

38. Deductible

- 38.1. Deductible is the agreed amount by which the indemnity payable by the insurer is reduced. Deductible applies to each insured event unless otherwise agreed.
- 38.2. In the case of claims arising from one and the same insured event, the deductible is taken into account only with regard to the first insurance indemnity to be paid out.
- 38.3. No deductible is applied to legal expenses unless otherwise agreed.

39. Insurance indemnity and legal expenses

- 39.1. Insurance indemnity is the amount of money paid out to the policyholder in order to indemnify for the proprietary damage arisen as a result of an insured event and/or for necessary legal expenses.
- 39.2. The following is subject to indemnification:
 - 39.2.1. decrease in the value of the injured party's object, which arises from the destruction of or damage to the object;
 - 39.2.2. the injured party's medical treatment expenses, damage arising from temporary incapacity for work, damage arising from permanent incapacity for work, funeral expenses, maintenance pension, etc.
- 39.3. The amount of the insurance indemnity per insured event is limited to the amount of the claim and the limit of indemnity of a single event.
- 39.4. For the purposes of these terms and conditions, legal expenses are the legal, expert assessment and court expenses incurred by the insured person upon processing of claims related to the event.
- 39.5. Legal expenses are indemnified if they are necessary for countering a claim and protecting the rights of the insured person.
- 39.6. Legal expenses related to claims the indemnification of which is excluded by the terms and conditions of insurance (e.g. claim for non-proprietary damage, claim related to a contractual penalty or default interest) are not subject to indemnification.
- 39.7. Only the legal expenses approved by ERGO beforehand are subject to indemnification.

40. Actions in the case of loss event

- 40.1. The policyholder is required to notify ERGO of a circumstance that may result in the occurrence of an insured event as well as notify of a claim that the injured party has filed against the insured person. The policyholder must notify of the circumstance or of the filing of a claim within one week after they became aware of the circumstance or of the filing of the claim.
- 40.2. The policyholder is required to immediately notify ERGO of the initiation of court or other proceedings in respect of the insured person that may result in the liability of the insurer or of a circumstance that may serve as a basis for the filing of a claim against the insured person.
- 40.3. The policyholder must make every effort to ensure the preservation of evidence concerning the circumstances of occurrence of damage and immediately take measures to avoid the creation of any further damage or increase in the current damage.
- 40.4. After the receipt of a claim filed against the insured person or a declaration regarding the circumstances set out in clause 40.1 of these terms and conditions, the insurer is required to immediately start the adjustment of the claim.
- 40.5. The insurer is required to collect and find out all material circumstances concerning the matter, and the policyholder is required to submit all necessary data and evidence to establish the occurrence and amount of damage.

41. Procedure for and principles of indemnification

- 41.1. ERGO makes a decision to indemnify or refuse to indemnify damage within ten working days of the receipt of all the required documents and establishment of the amount of damage and the circumstances of occurrence thereof. If criminal or misdemeanour proceedings have been initiated, ERGO has the right to postpone the adoption of the decision until

charges have been brought against the suspect or until the decision on termination or suspension of the proceedings has been received.

- 41.2. ERGO pays out the insurance indemnity to the policyholder within two weeks after it has deemed a claim filed against the insured person as proved or as of the time when the claim of the injured party has been established by a judicial decision, acceptance of the claim or a compromise agreement.
- 41.3. If part of a claim filed against the insured person is not proved, ERGO only indemnifies the proved part of the claim.
- 41.4. If the insured person has come to an agreement with the claimant or has already indemnified the claim or part thereof, ERGO has no indemnification obligation if the actual amount of the claim has not been proved or the indemnification obligation of the insured person is disputable.
- 41.5. In the case of the partial or solidary liability of the insured person, ERGO indemnifies only the part of the claim for which the insured person is liable in accordance with these terms and conditions of liability insurance.

42. Exclusions

- 42.1. ERGO does not indemnify claims that:
 - 42.1.1. are based on loss of profit or arise from non-proprietary damage;
 - 42.1.2. arise from negotiorum gestio;
 - 42.1.3. are filed mutually by persons covered by one and the same insurance contract;
 - 42.1.4. arise from the insured person's contractual liability or obligation assumed under a contract (including written guarantees and guarantees provided in other manner) unless the obligation to indemnify the damage would also arise without the contract;
 - 42.1.5. arise from the insured person's failure to provide or properly provide a service (e.g. the claim for a refund of a contract fee) or expenses to be incurred for repairing or redoing work that has been performed improperly;
 - 42.1.6. arise from the insured person's activities as the head of a business entity or as an official, including the liability of a member of the management board;
 - 42.1.7. have been filed by a person who is directly or indirectly owned or managed by the policyholder or the insured person or who owns or manages the policyholder or the insured person;
 - 42.1.8. arise from damage caused as a result of providing a professional service (consultations, calculations, studies, assessments, designing, planning, legal assistance, accounting, medical services, etc.) (professional liability);
 - 42.1.9. are related to damage subject to indemnification on the basis of the Motor Insurance Act or other obligatory insurance;
 - 42.1.10. arise from the manufacturer's liability;
 - 42.1.11. arise from damage to or destruction, loss, theft or robbery of an object, including documents or data media, that is/are in the possession or use of, deposited with or processed or repaired by the insured person;
 - 42.1.12. arise from damage caused with a land vehicle, watercraft or aircraft belonging to or leased, borrowed, rented or driven by the insured person;
 - 42.1.13. arise from loading operations of any vehicle or trailer;
 - 42.1.14. arise from damage caused as a result of using or handling an explosive or firearm;
 - 42.1.15. arise from damage caused by radiation, toxicity or explosiveness of any substance;
 - 42.1.16. are related to a landfill or waste management centre;
 - 42.1.17. arise from damage caused by activities performed while intoxicated with alcohol, drugs, toxic or other substances;
 - 42.1.18. are related to damage caused by Force majeure;
 - 42.1.19. arise from statutory fines, interest, default interest and other penalties added to the damage and imposed on the policyholder;
 - 42.1.20. arise from damage caused by asbestos, mould or dry rot;
 - 42.1.21. arise from damage caused by an electromagnetic field;
 - 42.1.22. arise from damage caused by dioxins or furans;
 - 42.1.23. arise from a bacterial, viral or infectious disease, for example AIDS, hepatitis;
 - 42.1.24. arise from damage caused as a result of construction activities;
 - 42.1.25. are related to demolition work;
 - 42.1.26. arise from any environmental damage.

43. Beneficiary

No beneficiary is appointed in the case of liability insurance. ERGO always pays the insurance indemnity to the policyholder.

EMPLOYER'S LIABILITY INSURANCE

44. Insured event

- 44.1. Insured event is an occupational accident that has happened to an employee or an occupational disease diagnosed during the insurance period (hereinafter the event) as a result of which the insured person has a statutory obligation to indemnify for damage.
- 44.2. Occupational accidents and occupational diseases are specified on the basis of the Occupational Health and Safety Act.
- 44.3. Damage arising from one and the same event are deemed to constitute one insured event.

45. Additional insurance covers
The additional insurance cover is only valid if it has been agreed separately in the policy, including if the possible limit of indemnity per insured event has been agreed.
- 45.1. Deductible insurance
The agreed portion of deductible is also indemnified if the amount of damage exceeds the amount of deductible set out in the policy. If the amount of damage is smaller than the amount of deductible, no deductible insurance applies.
- 45.2. Business trip abroad (worldwide)
The insurance cover extends to business trips abroad all over the world.

46. Employee

Employee is a person who works for the insured person on the basis of an employment contract or contract of service. For the purposes of these terms and conditions, temporary agency workers, trainees, procurators and members of the management board are also considered equivalent to employees.

47. Term of insurance contract

- 47.1. Upon the indemnification of damage, the insurer follows the terms and conditions of the insurance contract in effect at the time when the insured event occurred, the sum insured and the deductible.
- 47.2. The insurance contract is effective in respect of the damage caused by an event that occurred in the territory of insurance specified in the insurance contract. If the insurance contract does not specify a territory of insurance, the territory of insurance is the Republic of Estonia. If an employee of the insured person works in a foreign state, the insurer's liability is limited to the extent and under the terms and conditions provided by the law of the Republic of Estonia.
- 47.3. The insurance cover can be extended, by agreement between the parties to the insurance contract, to employees' stay on a business trip outside of the territory of insurance.
- 47.4. If the legal relationship between the employer and an employee is governed by the law of other state, the insurer has no obligation to indemnify more than it should have had to indemnify on the basis of the legislation of the Republic of Estonia under the same circumstances.
- 47.5. The insurance cover extends to the claims that are filed against the insured person within three years after the expiry of the insurance period.

48. Sum insured

- 48.1. Sum insured is the sum agreed in the insurance contract, which constitutes the maximum limit of all the insurance indemnities payable on the basis of the insurance contract.
- 48.2. In addition, the limit of indemnity of a single event may be agreed, which is the largest possible insurance indemnity in the case of all the claims arising from one and the same event. If no limit of indemnity of a single event is specified, it is deemed to be equal to the sum insured.
- 48.3. The sum insured decreases by the insurance indemnity paid out on the basis of the same insurance contract.

49. Deductible

- 49.1. Deductible is the agreed amount by which the indemnity payable by the insurer is reduced. Deductible applies to each insured event unless otherwise agreed.
- 49.2. In the case of claims arising from one and the same event, the deductible is taken into account only with regard to the first insurance indemnity to be paid out.
- 49.3. No deductible is applied to legal expenses unless otherwise agreed.

50. Insurance indemnity and legal expenses

- 50.1. Insurance indemnity is the amount of money paid out to the policyholder in order to indemnify for the proprietary damage arisen as a result of an insured event and/or for necessary legal expenses.
- 50.2. For the purposes of these terms and conditions, legal expenses are the legal, expert assessment and court expenses incurred by the insured person upon processing of claims related to the event.
- 50.3. Legal expenses are indemnified if they are necessary for countering a claim and protecting the rights of the insured person.
- 50.4. Legal expenses related to claims the indemnification of which is excluded by the terms and conditions of insurance (e.g. claim for non-proprietary damage, claim related to a contractual penalty or default interest) are not subject to indemnification.
- 50.5. Only the legal expenses approved by ERGO beforehand are subject to indemnification.

51. Notification of insurer

- 51.1. The policyholder is required to notify ERGO of a circumstance that may result in the occurrence of an insured event as

well as notify of a claim that the injured party has filed against the insured person. The policyholder must notify of the circumstance or of the filing of a claim within one week after the policyholder or insured person became aware of the circumstance or of the filing of the claim.

- 51.2. The policyholder is required to immediately notify ERGO of the court or other proceedings initiated in respect of the insured person that may result in the liability of the insurer or of a circumstance on the basis of which a claim may be filed against the insured person.

52. Actions in the case of loss event

- 52.1. In the case of a loss event, the policyholder is required to:
- 52.1.1. register the occupational accident or occupational disease in accordance with the procedure prescribed by the legislation of the Republic of Estonia and perform all the notification obligations arising from the legislation;
 - 52.1.2. make every effort to find out the circumstances and causes of the occupational accident or occupational disease.
- 52.2. If the policyholder has not performed the aforementioned obligations and the failure to perform the obligations has a cause-and-effect relationship with finding out the causes and circumstances of the occurrence of the insured event or establishing the amount of damage arisen as a result thereof, the insurer has the right to reduce the indemnity or refuse to pay the indemnity.

53. Exclusions

- 53.1. ERGO does not indemnify:
- 53.1.1. damage caused intentionally or due to gross negligence;
 - 53.1.2. damage related to negotiorum gestio;
 - 53.1.3. claims arising from non-proprietary damage;
 - 53.1.4. loss of profit, except for the loss of profit related to personal injury;
 - 53.1.5. statutory pecuniary penalties, fines, interest, default interest, etc.;
 - 53.1.6. contractual penalties added to the damage or other additional obligations assumed under a contract (e.g. default interest);
 - 53.1.7. mutual claims of persons covered by one and the same insurance contract;
 - 53.1.8. damage caused by activities performed while intoxicated with alcohol, drugs, toxic or other substances;
 - 53.1.9. damage related to the employee's work or stay for any other reason in a region where a war is fought or invasion is carried out or where there is a state of war, strike, riot, high level of crime or high risk of terrorism;
 - 53.1.10. damage caused by Force majeure;
 - 53.1.11. damage caused by lead or asbestos;
 - 53.1.12. damage caused by silicon or silicon compounds, including silicon dust;
 - 53.1.13. claims arising from damage caused by tobacco or tobacco products;
 - 53.1.14. claims arising from damage caused by an electromagnetic field;
 - 53.1.15. claims arising from damage caused by any fungi, including moulds, or any mycotoxins, spores, mycelium or its parts, etc., produced by or released from them;
 - 53.1.16. claims arising from a bacterial, viral or infectious disease, for example AIDS, hepatitis;
 - 53.1.17. claims that are directly or indirectly related to blood banks or that arise from damage caused by blood or blood products;
 - 53.1.18. damage caused by medicinal products;
 - 53.1.19. claims arising from damage caused by diethylstilbestrol (DES), urea-formaldehyde (UF), dioxins or furans;
 - 53.1.20. claims arising from transmissible spongiform encephalopathy (TSE), including bovine spongiform encephalopathy (BSE) or Creutzfeldt-Jakob disease (CJD);
 - 53.1.21. damage subject to indemnification on the basis of the Motor Insurance Act or other obligatory insurance.

54. Beneficiary

No beneficiary is appointed in the case of liability insurance. ERGO always pays the insurance indemnity to the policyholder.

GENERAL THIRD PARTY LIABILITY INSURANCE

55. Insured event

- 55.1. Unlawful causation of damage by the insured person to a third party (hereinafter the event) as a result of which the insured person has a statutory obligation to indemnify for damage is insured. The insurance cover does not extend to the contractual obligations of the insured person (e.g. the liability arising from the provision of service) unless the respective obligation to indemnify the damage would also arise without the contract made. The insured event must have occurred during the insurance period.
- 55.2. The insurance cover extends to all the natural persons working for and/or carrying out an assignment of the insured person and who are used in economic activities for performing work-related duties.
- 55.3. The insurance cover does not extend to the damage that other person used within the framework of the insured economic

activities has caused to a third party unless the indemnification of damage has been agreed separately.

- 55.4. Causing damage must have a cause-and-effect relationship with the insured economic activities specified in the insurance contract.
- 55.5. All claims arising from one and the same cause or event are deemed to constitute one insured event. The time of occurrence of the first event is deemed to be the time of occurrence of the insured event.

56. Additional insurance covers

The additional insurance cover is only valid if it has been agreed separately in the policy, including if the possible limit of indemnity per insured event has been agreed.

56.1. Deductible insurance

The agreed portion of deductible is also indemnified if the amount of damage exceeds the amount of deductible set out in the policy. If the amount of damage is smaller than the amount of deductible, no deductible insurance applies.

56.2. Property under management and in possession of insured person

The insurance cover extends to claims arising from damage to the movable property of a third party that is under the management and/or in the possession of the insured person, but only if the aforementioned damage has been caused by the insured person within the framework of an insured area of activity. The insurance cover is valid provided that the property is kept in a guarded territory of restricted access. Claims arising from the theft, loss or robbery of property are not subject to indemnification. The insurance cover does not extend to the property that the insured person uses in its economic activities (tools, vehicles, machinery, etc.).

56.3. Subcontractors

The insurance cover extends to claims caused by the subcontractor whom the insured person has used upon performing the obligations. In the case of a subcontractor, the insurance cover only extends to such claims that are related to the insured person's activities specified in the policy, provided that a contract for services has been entered into between the insured person and the subcontractor and does not extend to claims that are related to the subcontractor's independent activities or activities for the benefit of any other person. The insurance cover is only valid provided that the claim is filed against the insured person. Unless otherwise agreed in the insurance contract, subcontractors are not deemed to be insured persons within the framework of this additional insurance cover and, upon the payment of indemnity, ERGO has the right to file a recourse action against the person who caused the damage to the extent of the damage indemnified.

57. Term of insurance contract

- 57.1. Damage is indemnified in accordance with the terms and conditions of the insurance contract in effect at the time when the event occurred, the sum insured and the deductible.
- 57.2. Upon entry into an insurance contract, the parties to the insurance contract may agree on an extended period for notification of claims filed against the insured person.
- 57.3. In the case of an extended period for notification of claims filed against the insured person, the insurance cover extends to the claims that are filed against the insured person within the agreed term after the expiry of the insurance period, whereby the damage serving as a basis for the claim was caused during the insurance period.
- 57.4. Unless an extended period for notification of claims has been agreed separately, the insurance cover extends to the claims that are filed against the insured person within one year after the expiry of the insurance period.
- 57.5. Unless other territory of insurance is specified in the insurance contract, the insurance contract is in effect in respect of the damage that has arisen within the borders of the Republic of Estonia.

58. Sum insured

- 58.1. Sum insured is the sum agreed in the insurance contract, which constitutes the maximum limit of all the insurance indemnities payable on the basis of the insurance contract.
- 58.2. In addition, the limit of indemnity of a single event may be agreed, which is the largest possible insurance indemnity in the case of all the claims arising from one and the same causation of damage. If no limit of indemnity of a single event is specified, it is deemed to be equal to the sum insured.
- 58.3. The sum insured decreases by the insurance indemnity paid out on the basis of the same insurance contract.
- 58.4. To restore the sum insured, a supplementary contract may be entered into.

59. Deductible

- 59.1. Deductible is the agreed amount by which the indemnity payable by the insurer is reduced. Deductible applies to each insured event unless otherwise agreed.
- 59.2. In the case of claims arising from one and the same insured event, the deductible is taken into account only with regard to the first insurance indemnity to be paid out.
- 59.3. No deductible is applied to legal expenses unless otherwise agreed.

60. Insurance indemnity and legal expenses

- 60.1. Insurance indemnity is the amount of money paid out to the policyholder in order to indemnify for the proprietary damage arisen as a result of an insured event and/or for necessary legal expenses.
- 60.2. The following is subject to indemnification:
 - 60.2.1. decrease in the value of the injured party's object, which arises from the destruction of or damage to the object;
 - 60.2.2. the injured party's medical treatment expenses, damage arising from temporary incapacity for work, damage arising from permanent incapacity for work, funeral expenses, maintenance pension, etc.
- 60.3. The amount of the insurance indemnity per insured event is limited to the amount of the claim and the limit of indemnity of a single event.
- 60.4. For the purposes of these terms and conditions, legal expenses are the legal, expert assessment and court expenses incurred by the insured person upon processing of claims related to the event.
- 60.5. Legal expenses are indemnified if they are necessary for countering a claim and protecting the rights of the insured person.
- 60.6. Legal expenses related to claims the indemnification of which is excluded by the terms and conditions of insurance (e.g. claim for non-proprietary damage, claim related to a contractual penalty or default interest) are not subject to indemnification.
- 60.7. Only the legal expenses approved by ERGO beforehand are subject to indemnification.

61. Actions in the case of loss event

- 61.1. The policyholder is required to notify ERGO of a circumstance that may result in the occurrence of an insured event as well as notify of a claim that the injured party has filed against the insured person. The policyholder must notify of the circumstance or of the filing of a claim within one week after they became aware of the circumstance or of the filing of the claim.
- 61.2. The policyholder is required to immediately notify ERGO of the initiation of court or other proceedings in respect of the insured person that may result in the liability of the insurer or of a circumstance that may serve as a basis for the filing of a claim against the insured person.
- 61.3. The policyholder must make every effort to ensure the preservation of evidence concerning the circumstances of occurrence of damage and immediately take measures to avoid the creation of any further damage or increase in the current damage.
- 61.4. After the receipt of a claim filed against the insured person or a declaration regarding the circumstances set out in clause 61.1 of these terms and conditions, ERGO must immediately start the adjustment of the claim.
- 61.5. ERGO is required to collect and find out all material circumstances concerning the matter, and the policyholder is required to submit all necessary data and evidence to establish the occurrence and amount of damage.

62. Procedure for and principles of indemnification

- 62.1. ERGO makes a decision to indemnify or refuse to indemnify damage within ten working days of the receipt of all the required documents and establishment of the amount of damage and the circumstances of occurrence thereof. If criminal or misdemeanour proceedings have been initiated, ERGO has the right to postpone the adoption of the decision until charges have been brought against the suspect or until the decision on termination or suspension of the proceedings has been received.
- 62.2. ERGO pays out the insurance indemnity to the policyholder within two weeks after it has deemed a claim filed against the insured person as proved or as of the time when the claim of the injured party has been established by a judicial decision, acceptance of the claim or a compromise agreement.
- 62.3. If part of a claim filed against the insured person is not proved, ERGO only indemnifies the proved part of the claim.
- 62.4. If the insured person has come to an agreement with the claimant or has already indemnified the claim or part thereof, ERGO has no indemnification obligation if the actual amount of the claim has not been proved or the indemnification obligation of the insured person is disputable.
- 62.5. In the case of the partial or solidary liability of the insured person, ERGO indemnifies only the part of the claim for which the insured person is liable in accordance with these terms and conditions of liability insurance.

63. Exclusions

- 63.1. ERGO does not indemnify claims that:
 - 63.1.1. are based on loss of profit or arise from non-proprietary damage;
 - 63.1.2. arise from a public promise to pay or from a competition;
 - 63.1.3. arise from the presentation of a thing, negotiorum gestio or unjustified enrichment;
 - 63.1.4. arise from the insured person's contractual liability or obligation assumed under a contract (including written guarantees and guarantees provided in other manner) unless the obligation to indemnify the damage would also arise without the contract;
 - 63.1.5. are filed mutually by persons covered by one and the same insurance contract;
 - 63.1.6. arise from the insured person's activities as the head of a business entity or as an official, including the liability of a member of the management board;
 - 63.1.7. have been filed by a person who is directly or indirectly owned or managed by the policyholder or the insured person or who owns or manages the policyholder or the insured person;
 - 63.1.8. arise from damage caused as a result of providing a professional service (consultations, calculations, studies, assessments, designing, planning, legal assistance, accounting, medical services, etc.) (professional liability);

- 63.1.9. are subject to indemnification under a pension or other social insurance procedure;
- 63.1.10. are related to damage subject to indemnification on the basis of the Motor Insurance Act or other obligatory insurance;
- 63.1.11. arise from the manufacturer's liability;
- 63.1.12. arise from the insured person's failure to provide or properly provide a service (e.g. the claim for a refund of a contract fee) or expenses to be incurred for repairing or redoing work that has been performed improperly;
- 63.1.13. arise from damage caused by activities performed while intoxicated with alcohol, drugs, toxic or other substances;
- 63.1.14. arise from fines, interest, default interest and other penalties added to the damage and imposed on the insured person;
- 63.1.15. arise from the insured person's breach of a legislative act regulating the use of a patent, copyright or trademark;
- 63.1.16. are related to damage caused by Force majeure;
- 63.1.17. arise from damage caused as a result of using or handling an explosive or firearm;
- 63.1.18. arise from damage caused by radiation, toxicity or explosiveness of any substance;
- 63.1.19. arise from damage caused by asbestos, mould or dry rot;
- 63.1.20. arise from damage caused by an electromagnetic field;
- 63.1.21. arise from a bacterial, viral or infectious disease, for example AIDS, hepatitis;
- 63.1.22. arise from damage caused by diethylstilbestrol (DES), dioxins or furans;
- 63.1.23. arise from damage to or destruction, loss, theft or robbery of an object, including documents or data media, that is/are in the possession or use of, deposited with or processed or repaired by the insured person;
- 63.1.24. arise from damage caused with a land vehicle, watercraft or aircraft belonging to or leased, borrowed, rented or driven by the insured person;
- 63.1.25. arise from loading operations of any vehicle or trailer;
- 63.1.26. are related to underwater operations;
- 63.1.27. arise from damage to underground cables, pipelines or other underground objects;
- 63.1.28. arise from damage arisen as a result of electricity transmission or water or gas supply failure;
- 63.1.29. arise from damage caused by vibration or removal or weakening of supporting elements;
- 63.1.30. arise from any damage related to demolition of construction work;
- 63.1.31. are related to mines, tunnels, bridges and viaducts;
- 63.1.32. are related to the use of a railway vehicle, tram and funicular railway;
- 63.1.33. are related to the use, construction, repair, maintenance or other service of aircraft and watercraft;
- 63.1.34. are related to airfields (including airport and other construction work pertaining to airport) and air traffic control centres;
- 63.1.35. are related to port and hydraulic construction work, including piers, moles, embankments, reservoirs, dams;
- 63.1.36. are related to power plants, including hydropower plants, nuclear power plants, wind farms;
- 63.1.37. are related to oil or gas platforms and oil or gas rigs;
- 63.1.38. arise from damage caused to a railway vehicle or railway infrastructure;
- 63.1.39. are related to a landfill or waste management centre;
- 63.1.40. are related to any activities or provision of services on the Internet;
- 63.1.41. arise from any environmental damage.

64. Beneficiary

No beneficiary is appointed in the case of liability insurance. ERGO always pays the insurance indemnity to the policyholder.